

Role Of Pmegp Scheme in Rural Non- Form Sector - Problems and Measures

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Abstract

Unemployment and poverty is one of the burning problems of Indian society especially in rural area. The non form sector of rural area is playing a important role against unemployment and poverty elevation. The rural non form sector is also playing a role against migration of labour from rural to urban habitat. There are so many Govt. schemes which are working against the poverty but Pmegp is the only scheme which promotes industry and employment .

Pmegp the introduction of a new credit linked subsidy program called Prime Minister's Employment Generation Program (Pmegp) for unemployment Youth. Pmegp Scheme objective of prevent migration of Rural population to Urban with promoting more industry in Rural area hence more employment is generated in Rural Area.

Pmegp Scheme objective of prevent migration of Rural population to Urban with promoting more industry in Rural area hence more employment is generated in Rural Area. Rural development will be successful only when it goes along with the development of infrastructural development, employment generation and Human resource, Therefore, it is necessary to study the Effectiveness of Pmegp Scheme on Development of Micro and Small Enterprises in District Bilaspur.

Keywords: KVIC, KVIB, DTIC, EDP, DTECs, CGCED, MSME

Introduction -

Prime Minister's Employment Generation Programme(Pmegp) is one of the schemes introduced by the central government for increasing self-employment among the eligible men and women of the Country. This Pmegp scheme is a central controlled programme administered by the Ministry of Micro,Small and Medium Enterprises (MoMSME), Govt of India.

This scheme is started by Khadi & Village Industries Commission(KVIC),Govt.of India as single nodal agency at National level, At state level, the scheme is to be implemented by State Khadi & Village Industries Boards (KVIBs) in rural areas and by District Industries Centres (DICs) in Urban areas.

Prime Minister Employment Generation, a new credit linked subsidy programme has launched by Government of India by merging the two schemes Prime Minister's Rojgar Yojana(PMRY)and Rural Employment Generation Programme (REGP) were operation till 31.03.2008. The basic lacking of this program, reason to modify or need to modify the last program(PMRY). The basic introduction of Pmegp in 10th and 11th five yr plan.

The maximum cost of the project/unit admissible under manufacturing sector is Rs 25 lakhs. The maximum cost of the project /unit admissible under business/service sector is Rs. 10 lakhs.

The basic introduction of the Pmegp, Business activity definition - Tiny , Cottage, Micro, Small, Medium, Large scale Industry, Scheme ,Location definition Rural / Urban, Co-ordination Department (align department),Fund flow mechanism, Implementation schedule, Subsidy introduction, Selection of Beneficiary or applicant, Govt. control mechanism, Role of Bank and other department, Negative list of industry, The desirable benefit of scheme for society Employment creation and Limitation for finance as per the Employment limit.

Significance of Study-

The Significance of this study is to analysis the PMEGP Scheme Impact on growth of Micro and Small Industry and Entrepreneurs of India.

1. To impact of the credit link PMEGP scheme on Development of rural non farm sector
2. The impact of scheme on wage and self employment generation.
3. The measure drawback of the scheme for development of rural non farm sector and its remedies for Govt.
4. The observation of gender effect on the in self employment or in Entrepreneurship.
5. Effectiveness this credit link scheme for Govt. sponsored loan scheme in economic growth of the unemployed youth and Entrepreneur.
6. The measure drawback of the scheme and suggest its remedies for Govt.

Methodology (Research Design/ Sample size / experimental details -

A field survey of the entire district, including all administrative circles, was done. Because the study was exploratory in nature. The current research study was mostly based on primary data from the target groups, as well as pilot-tested schedules, questionnaires, and focused group discussions, in order to achieve the above-mentioned objectives. As a result, the following target groups received one set of questionnaires/schedules and one unstructured interview schedule:

- The beneficiaries who are now working on various PMEGP-funded livelihood programmes.
- The beneficiaries who had previously been beneficiaries but had quit the profession for reasons unknown to them.
- Anyone interested in joining PMEGP for a source of income, particularly unemployed educated millennials.

Data Analysis and Interpretation –

The Data analysis and interpretation are based on following steps related to the PMEGP witch effect the Development of Non Form Sector -

Number of Non form sector cases sponsored by sponsored agency

1. Nature of Non form Unit Financed (Activity Wise)
2. The present Status of financed Non form sector Unit -Working/Not Working
3. Rural Non form sector and contribution of Woman Entrepreneur
4. PMEGP Contribution In Financing Of Urban And Rural Non Form Sector
5. Category Wise Development Of Rural Non Form Sector
6. PMEGP And Fund Flow In Non Form Sector Unit As Margin Money Status
7. Analysis about Generation of Wage or Self employment status
8. PMEGP Contribution for Capacity building of owner in Rural Non form sector .

1. Number of Non form sector cases sponsored by Sponsored Agency

Total cases sponsored in the district by the sponsored agency like DTIC, KVIB and KVIC, is presented in Table No 1. This Table indicates their participation in implementing of scheme in District Bilaspur in year 2013-14

Table No-1

NO OF CASES AGENCY WISE (Percentage)			
S.N.	Particulars	Total	Percentage (%)
1	DTIC	55	42.31
2	KVIB	46	35.38
3	KVIC	29	22.31
	TOTAL	130	

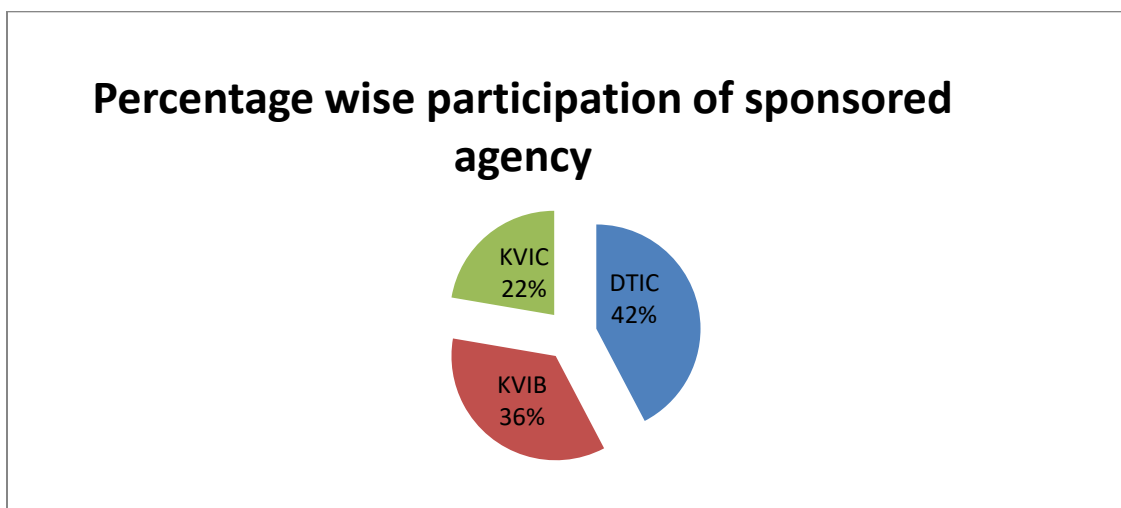


Table no – 1 The table shows that total number of cases (beneficiary) is 130 and percentage wise DTIC having share of 42.31% and KVIB is having share of 35.38%. The table status shows on PMEGP Scheme the most of the cases are sponsored by DTIC Department.

The observation and analysis of this table indicates that the PMEGP Scheme is mostly covered by DTIC and DTIC is authorized for urban and rural locality to sponsor the cases. This observation also indicates the population is more aware with the scheme and presence of DTIC and approach is convenient for people. But in case of KVIB it covers only rural population and indicates that the beneficiary from the rural area is less convergence with the scheme benefits.

KVIC is covered the Urban and Rural Population with a centralized office at Raipur therefore their presence and actively participation in scheme is not so satisfactory. Therefore there is a need to open District level office from KVIC to implement this scheme with effectiveness

2. Nature of Non form sector Unit Financed (Activity Wise)

The Rural Non form sector or Income Generation Activity can be divided in three categories. 1. Production, 2. Service, 3. Business (Trading sector)

Under this scheme of PMEGP and research theme only two sectors are included for Employment generation those are Production and Service Sector. Therefore the analysis is based on these two sectors Production and Service sector only.

The % share of all the production and service sector with sponsoring agency is analyze with this table

Table no – 2

Nature of unit sponsored activity wise (Production & service sector)

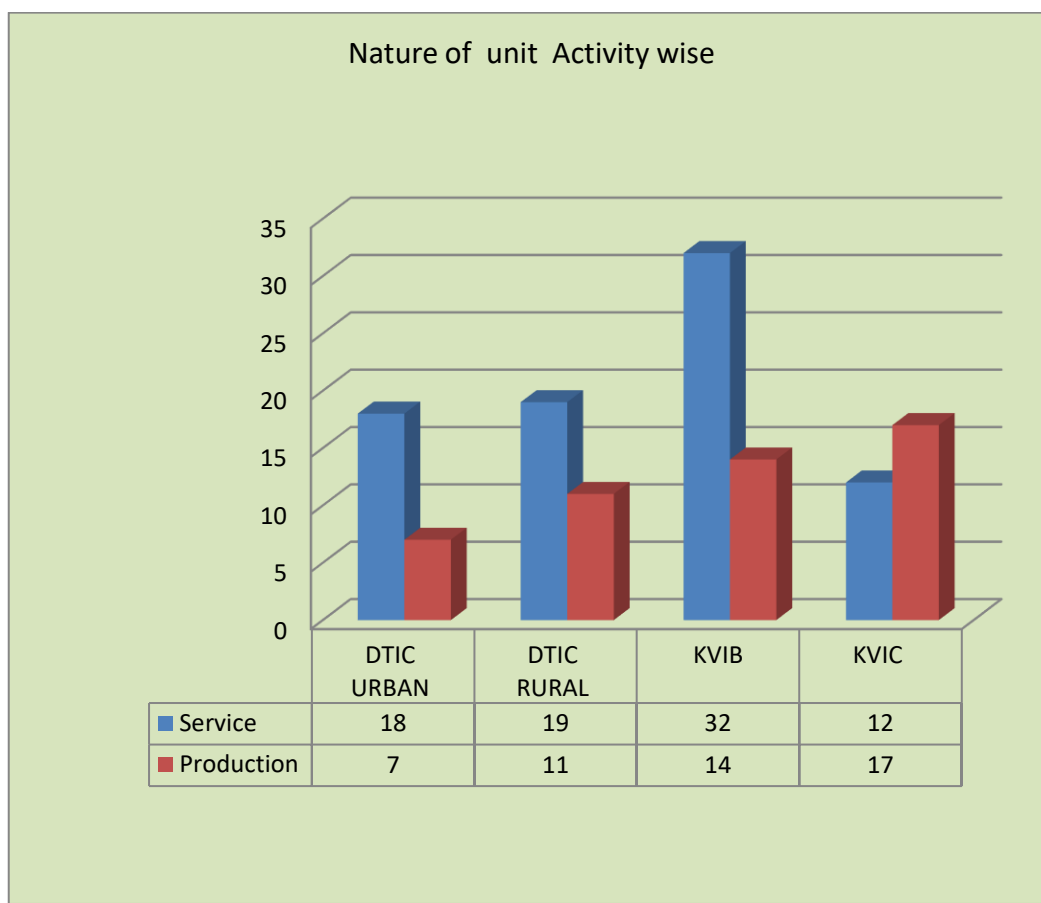
S.N.	Sponsoring Agency	Production	PER (%)	Service	PER (%)	Total
1	DTIC URBAN	7	5.39	18	13.85	25
2	DTIC RURAL	11	8.46	19	14.61	30
3	KVIB	14	10.77	32	24.61	46

4	KVIC	17	13.07	12	9.23	29
	TOTAL	49	37.69	81	62.30	130

The table show on Total no of unit is 130 and the production unit share is 37.69 %and the service sector unit is having 62.30%.

The present data indicates that the most of the beneficiaries are interested on service sector compare to production sector. In the table the maximum cases are sponsored by KVIB agency.

The table indicate that the PMEGP Scheme is playing a important role for Development of Rural Non form sector .



This table indicates Development of Non Form sector in the District Bilaspur is mostly concentrate in service sector in comparison to the Production sector. The contribution of the production sector is 37.69% of the total sponsored scheme

It indicate that a negative factor for development of Rural Non form sector so that for best outcome of the PMEGP the ratio of the Production sector in Non Form sector should be increased which help to generate more employment and most of the service sector growth is depend on the growth of production sector .

This also indicate the Entrepreneurship among the youth is in comparatively lower direction because of production sector having more risk than the service sector.

3. The present Status of financed Non form sector Unit -Working/Not Working

The status found during physical verification of the total units Working/Not Working given below in table as agency wise:-

Status of Non form Sector Working or Not Working								
S. N	PARTICULAR S	Working Non Form unit	Percentage(%) on working unit out of Total working	Not working	Percentage(%) on Not working unit out of not working unit	TOTAL	sponsor wise not working unit	sponsor wise working unit
1	DTIC URBAN	10	12.66	15	29.41	25	60.00	40.00
2	DTIC RURAL	21	26.58	9	17.65	30	30.00	70.00
3	KVIB	29	36.71	17	33.33	46	36.96	63.04
4	KVIC	19	24.05	10	19.61	29	34.48	65.52
	TOTAL	79	100	51	100	130	161.44	238.56

The table shows that the comparison study in between the work performance of (1) Agency Vs working unit , percentage on working unit (2) Agency Vs non working unit , and percentage of not working unit (3) agency performance in Working and non working unit out of total sponsored unit by the sponsoring agency

(1) Agency Vs working unit , percentage on working unit out of total working unit -

This parameter shows that the DTIC urban is having very less number of working unit 12.66% and the KVIB is having maximum working unit 36.71%

The fact indicate that KVIB is a good performing agency in parameter of working non form unit .

(2) Agency Vs not working Non form unit , and percentage of not working Non form unit out of total not working unit -

-This parameter shows that the DTIC Rural is having very less number of not working unit 17.65% and the KVIB is having maximum not working unit 33.33%

The fact indicate that DTIC Rural is a best performing agency in parameter of not working unit .

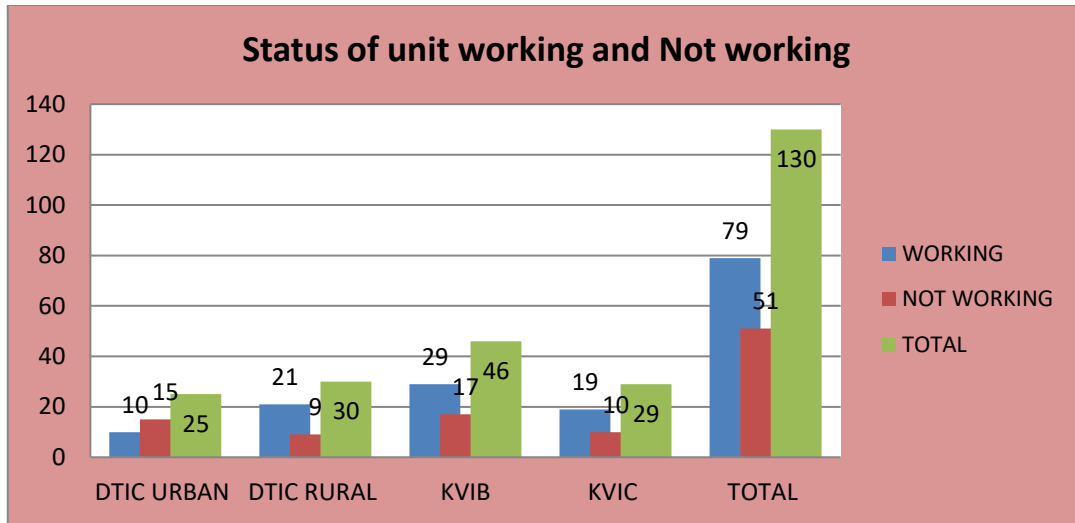
(3) Agency performance in Working Vs not working non form unit out of total sponsored Non form unit by the sponsoring agency

The table shows that the DTIC Rural is having least (30%)not working percentage and in case of DTIC Rural is the highest in working percentage (70%)

The DTIC is the single sponsor agency working in Rural and Urban area.

The conclusion of this table in respect to the PMEGP Scheme analysis is the agency DTIC working in Urban area is not performing well in comparison their performance in Rural.

DTIC performance for the rural Non form unit is better than other agency



The Table data presenting a scenario of the function of the sponsored agency how they are working and simultaneously the attitudinal participation of beneficiary towards selection of industry with a carrier in Entrepreneurship.

The closed unit No's are a loss of Indian Economy with loss of Bank loan amount as well as creation of Negative Environment towards promotion of Entrepreneurship and Growth to industry.

The No of cases closed is more in case of DTIC Urban it indicate the selection of Entrepreneur as well as the honest no of Entrepreneurs is less in Urban segment covered by DTIC .

Therefore the awareness of scheme objective should be cleared for the applicants approach to DTIC for loan. The officer of DTIC should be trained in selection of Entrepreneur.

It also Indicate that the urban peoples are interested in finance only not in operation part of the industry.

This table also indicates the PMEGP is a Development scheme for Rural Non form sector in comparisons to its performance in Urban area

4. Rural Non form sector and contribution of Woman Entrepreneur

The participation of the Female Entrepreneurs in PMEGP Scheme during Non form sector unit is important to evaluate the PMEGP Contribution for Rural Non form sector development

The details of total cases given below in table, agency wise promoted with a analysis of Male and Female cases

The importance of gender in Indian economy is noticed with a growth in each and every sector of production and service sector.

The PMEGP Scheme is also analyze with this criteria in respect to activeness of Sponsored agency for promoting woman entrepreneurship .

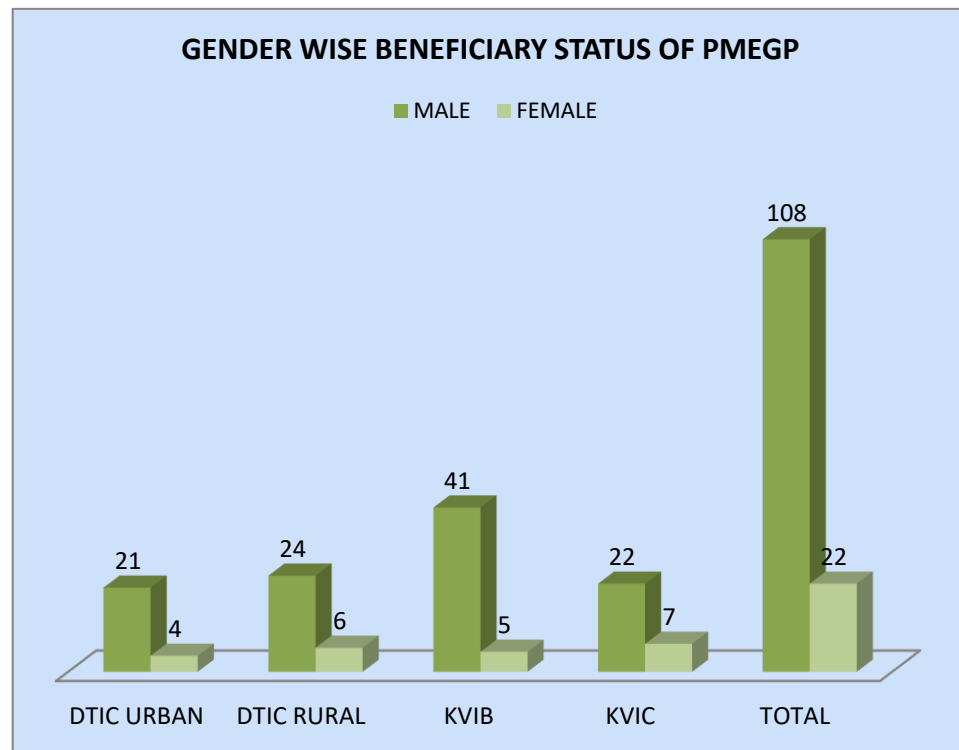
Percentage of Gender Wise Participation of Male/Female					
S.N	PARTICULARS	Male	Female	TOTAL	% of Female Gender participation in PMEGP scheme
1	DTIC URBAN	21	4	25	16
2	DTIC RURAL	24	6	30	20
3	KVIB	41	5	46	11
4	KVIC	22	7	29	24

Role Of Pmegp Scheme In Rural Non- Form Sector - Problems And Measures

	108	22	130	17
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The participation of Female beneficiary in Pmegp for development of Non form sector is comparatively less than the Male participation . It indicates that more awareness is required to increase the participation of female Gender.

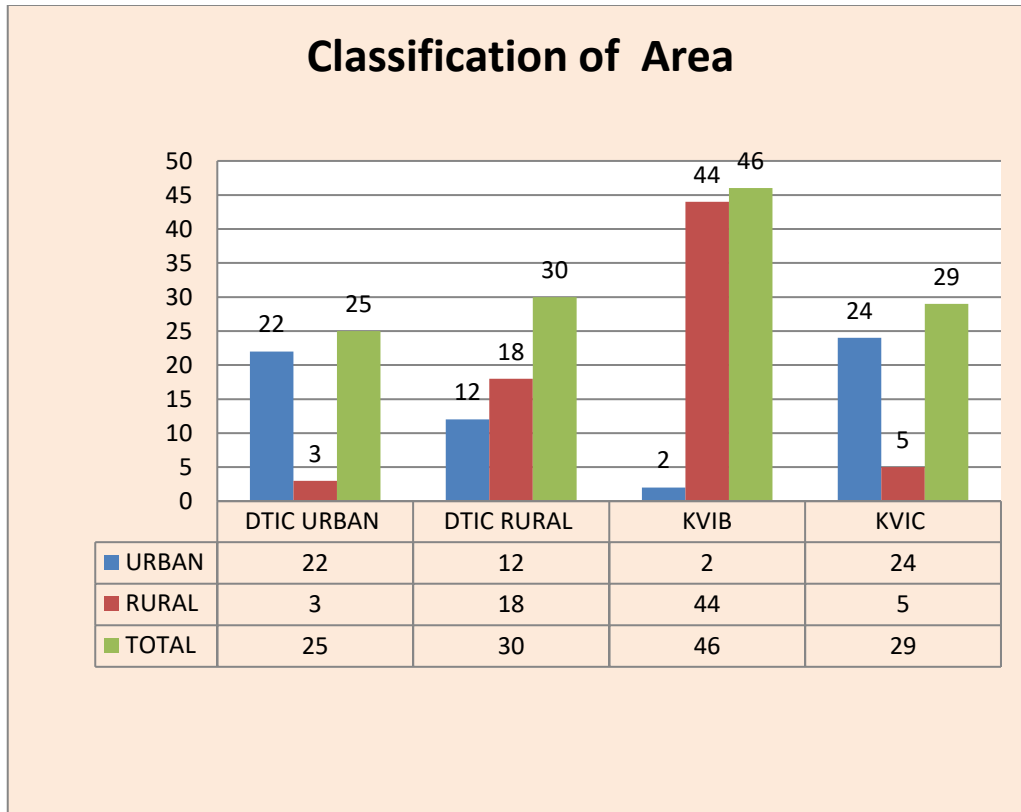
Therefore it is suggested to Govt. That more awareness should be created among woman entrepreneur for Pmegp Through special woman Entrepreneurship Awareness camp and special cell should be designed in sponsored agency for woman as Woman Entrepreneurship Cell in each and every district .



5. PMEGP CONTRIBUTION IN FINANCING OF URBAN AND RURAL NON FORM SECTOR

The Classification of total cases, area with agency wise shown in given table below:-

S.N.	PARTICULAR	URBAN	RURAL	TOTAL
1	DTIC URBAN	22	3	25
2	DTIC RURAL	12	18	30
3	KVIB	2	44	46
4	KVIC	24	5	29
	TOTAL	60	70	130
	Percentage out of total No of unit sponsored	46.15	53.85	100.00



The rural and urban area representation in scheme is analysed and find that 60 cases from Urban and 70 cases from Rural area is identified from Govt. to implement this PMEGP Scheme . The slightly lower the urban participation is indicate that PMEGP Scheme is ful filled his objective of prevent migration of Rural population to Urban with promoting more industry in Rural area hence more employment is generated in Rural Area .

PMEGP is concentrate its working for Development of Rural Non form sector .

6. CATEGORY WISE DEVELOPMENT OF RURAL NON FORM SECTOR

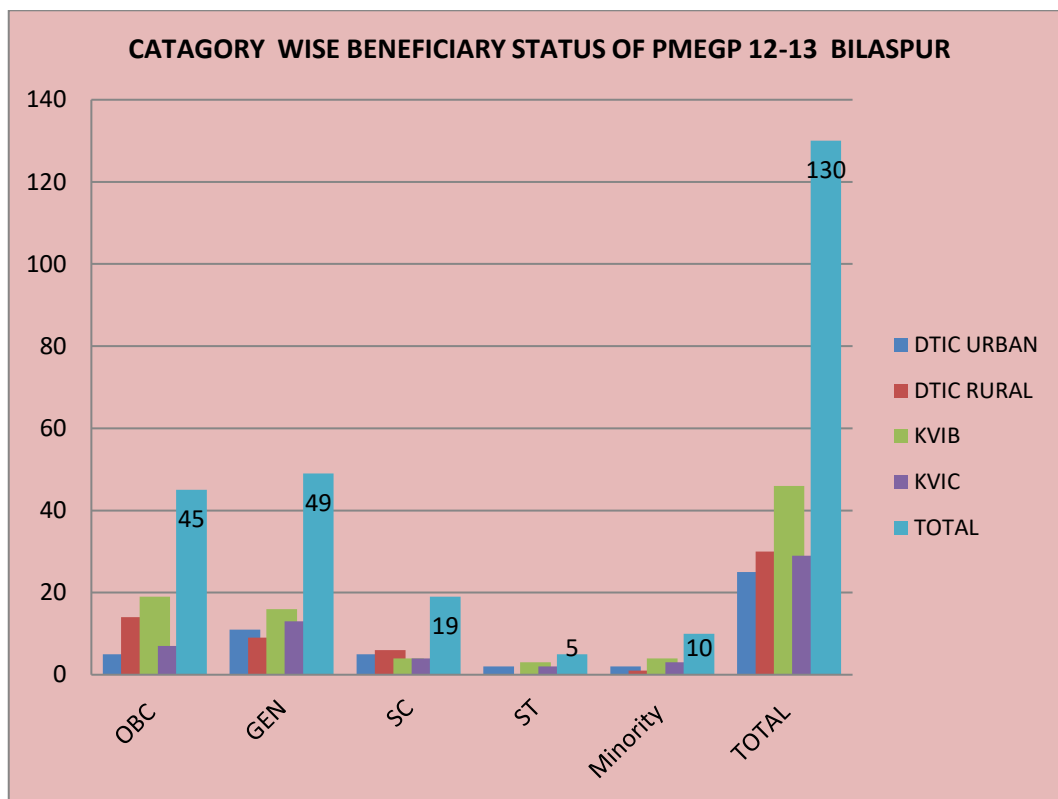
Category wise classification of unit by sponsored agency is defined in the tabular form as under :

CATAGORIY wise participation in PMEGP							
S.N.	PARTICULAR	GEN	OBC	SC	ST	Minority	TOTAL
1	DTIC URBAN	11	5	5	2	2	25
2	DTIC RURAL	9	14	6	0	1	30
3	KVIB	16	19	4	3	4	46
4	KVIC	13	7	4	2	3	29
	TOTAL	49	45	19	5	10	130
	Percentage wise	37.69	34.62	14.62	3.85	7.69	100

Role Of Pmegp Scheme In Rural Non- Form Sector - Problems And Measures

The category wise participation in PMEGP is shows in table represents that the ST beneficiary are in only 3.85% which is the least count and the ration of Genera is 37.69 % and OBC is also having approx 34.62% the SC is having only 14.62%

The Bilaspur is having maximum population sharing by SC but the table indicate that the SC are not having much interest in business and economic activity . So it required more attention and special awareness to be created among the SC Population for PMEGP



7 PMEGP And Fund flow in Non form sector unit as Margin Money status

KVIC has released margin Money to all beneficiary through the branch of respective Banks in their bank accounts. The details of margin money given below in the table:-

S.N	Sponsor Agency	Margin Money Received	No of unit	Per unit of Margin Money
1	DTIC URBAN	28.27	25	1.13
2	DTIC RURAL	40.45	30	1.35
3	KVIB	89.61	46	1.95
4	KVIC	104.78	29	3.61
	TOTAL	263.11	130	

The Margin Money is one of the important factor for the PMEGP Scheme which indicate the fund facilitate by the Govt. to unemployed youth for establish their enterprises. The fund is directly disbursed to beneficiary having their loan account in Bank .

It indicate that the more fund is released by the KVIC which is centrally sponsored agency as well as implementing agency of the PMEGP.

When we compare the no of unit sponsored with the margin money received then the KVIC is having more per unit margin money it means that More project cast unit is sponsored by the KVIC and less project cost unit is financed by DTIC and KVIB . It means DTIC and KVIB was concern with development of Rural Non Form Sector .

8.0 Contribution of PMEGP in Non form Sector and Employment Generation Status

In the PMEGP is created wage employment through financed unit in the District. This employment generation is a outcome of financing the term loan of and the overall norms of KVIC is fulfilled in Term loan Vs Employment generation should be at least 1 wage employment creation against 1.00 lacs investment in fixed assets. The details as given below:-

Employment Generation Vs Term loan			
S.N	Sponsored Agency	Term Loan	Employment Generation
1	DTIC URBAN	62.04	62
2	DTIC RURAL	91.22	96
3	KVIB	230.46	187
4	KVIC	253.07	208
	TOTAL	636.79	553

The PMEGP scheme is having a criteria that at least the one employment should be generate with reference to the per lac of investment in Term loan. This table represent that each one lac create more than one person employment. It means that the scheme is implemented with the objective of PMEGP.

The PMEGP is contributed for Development of Non form sector but the employment generation is not so satisfactory it should be improve.

9.0 PMEGP Contribution for Capacity building of owner in Rural Non form sector

In PMEGP scheme there is a provision that Entrepreneurship Development training is compulsory condition for the financing of every unit. The details of all cases regarding training in the district are given below in the table.

STATUS OF TRAINING PARTICIPATED BENEFICIARY			
PARTICULARS	YES	NO	TOTAL
DTIC URBAN	17	8	25
DTIC RURAL	20	10	30
KVIB	33	13	46

Role Of Pmegp Scheme In Rural Non- Form Sector - Problems And Measures

KVIC	21	8	29
	91	39	130

The training is one of the important aspect for result oriented work in each and every sector . The table represent 40% of the beneficiary are not getting proper training before start the enterprises . The ratio is also related with the data of Not working industry because the not working unit entrepreneur is not having proper EDP Training .It is also recommended that to modify the PMEGP Scheme with mandatory of EDP Training and training should be quality oriented .

CORRECTIVE MEASURE:-

The rural non form sector is strengthening to reduce the migration from rural to urban as well as in poverty elevation for rural population .

- ✓ There are a need of strengthen the agencies financing the rural non form sector like KVIB , DTIC Rural, and KVIC to increase the reach of these institution in rural area .
- ✓ The Gender participation in Non form sector Development is also a important lacking in the scheme of PMEGP and the contribution are very poor in non form sector.
- ✓ The capacity building is important for the sustainable growth of non form sector it should be considerable seriously , most of the cases of capacity building is not even participate the training .
- ✓ The employment generation should be a basic out come of this scheme specially for non form sector but we find that this is not satisfactory.
- ✓ The sharing of the category cast wise in development of the non form sector is not in uniform pattern even the bilaspur is having a major population of SC but in participation its percentage in poor .
- ✓ The ratio of enterprise financed under this scheme with Urban and Rural non form sector is almost equal it means the scheme is mostly focused on urban area .
- ✓ KVIC is having very poor contribution for Rural Non form sector development in comparision we have find only 5 unit sponsored but for Urban 24 . Most of the Margin money is invested in Urban locality .

SUGGESTION

- ✓ The Govt. should spread the scheme with Block level approach by extending the services of Implementing agency KVIB , KVIC, DTIC ,
- ✓ The participation of rural non form sector can be increased through increase awareness among villagers about this scheme . The scheme should be in approach of villagers through technology support, Business idea , finance, Market linkages etc
- ✓ The Govt. should take care during target allocation for Implementing agency that Rural Non form sector target should be separately allocated in order .
- ✓ The female gender participation may be increased by allocation of special quota for woman in PMEGP Scheme.
- ✓ The non performing rural non form sector unit should be increased by capacity building, forward backward linkage, finance, and pre project counseling by the professional consultant about to start the enterprise
- ✓ The KVIC must redefine their presence in rural area to increase the support to Rural non form sector.

CONCLUSION

The PMEGP is a important scheme to support for Development of Non Form Sector (Manufacturing and service) through finance and capacity building . This scheme is not having a support system to forward and backward linkages for the Rural non form sector unit . The need of rural non form sector is different than the urban enterprise. This scheme is suggested to modify to implement in two section on for urban and Rural non form sector. The need of rural non form sector is can be fulfilled by a provision of support network for rural population during working with non form sector.This scheme is effective for non form sector in financial backup and to prevent the migration of worker from rural to urban.

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